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Chairman: Mr. Sharma ..... (Nepal)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 2.40 p.m.

Agenda item 112: Programme budget for the biennium 2002-2003 (*continued*)

1. **Mr. Pulido León** (Venezuela), speaking on behalf of the Group of 77 and China, deplored the manner in which the reports on the questions included in the agenda of the meeting were being introduced. The related reports of the Advisory Committee had been made available only that morning and most delegations had therefore not had sufficient time to review them. The Committee could not continue to work in that manner on sensitive issues that were of such vital importance to Member States. The Group of 77 and China therefore requested that consideration of the questions in respect of which the related reports of the Advisory Committee had not been submitted sufficiently in advance should be deferred to a later date.

2. **Mr. Alarcón** (Costa Rica), speaking on behalf of the Rio Group, supported the statement made by the representative of Venezuela on behalf of the Group of 77 and China. The questions on the meeting's agenda were of great importance to the members of the Rio Group and should therefore be taken up only after members had had a chance to study the relevant reports.

3. **The Chairman** said that the Committee would return to the questions on the agenda at a later date. In the meantime, however, those members that were in a position to do so could make their statements on them at the current meeting.

Estimates in respect of matters of which the Security Council is seized (A/57/7/Add.17; A/C.5/57/23)

4. **Mr. Halbwachs** (Assistant Secretary-General for Programme Planning, Budget and Accounts, Controller) introduced the report of the Secretary-General on estimates in respect of matters of which the Security Council was seized (A/C.5/57/23). The purpose of the report was to extend funding for the biennium 2002-2003 for political missions in connection with actions taken or expected to be taken by the Security Council on the basis of requests from Member States and/or recommendations of the Secretary-General.

5. Six political missions had mandates to operate throughout 2003 and it was anticipated that the Council would extend the mandates of 12 others on the basis of reports and requests submitted to it. Table 1 of the report contained a complete list of the political missions, indicating their mandates and expiry dates.

6. The biennium 2002-2003 was the second in which provision had been made in the programme budget to finance special political missions in advance of their mandates being approved. The pattern of somewhat haphazard ad hoc financing of special political missions would continue for the balance of the biennium if the Organization relied upon the current procedural arrangements, which had two main disadvantages. First, because of the practice of approving resources at various points during the year as mandates arose, the Organization was unable to predict the likely level of budgetary requirements until almost the end of the biennium. The second disadvantage was that the current limits set out in resolution 56/256 would be exceeded in 2003 and would require that the matter be brought to the General Assembly, or, if the Assembly was suspended or not in session, a resumed or special session of the Assembly would have to be convened.

7. Consequently, it was recommended that the procedures for financing special political missions in 2004 should be improved to provide a greater degree of predictability through the provision of appropriations in anticipation of the renewal of individual mandates along the lines of arrangements currently in place for peacekeeping operations. It should be noted, however, that any expenditures against appropriations for political missions would be strictly subject to the extension of the relevant mandate by the Council. Such an approach would also allow the Member States to review the overall level of resource requirements for political missions at one time, reduce the need for piecemeal consideration of budget proposals for special political missions and provide a greater degree of predictability regarding the overall level of resource requirements for political missions for the balance of the biennium.

8. Table 2 contained a summary of the existing appropriations, the estimated expenditures for the periods to which they related and the overall requirements by mission for the period up to 31 December 2003.

9. Part II of the report provided background information and resource requirements of special political missions of which the Security Council continued to be seized and for which the Council called upon the Secretary-General to provide the necessary support for the peace process during the biennium 2002-2003.

10. The General Assembly was requested to approve the budgets for the political missions listed in table 2 for the period up to December 2003 and to note that the charging of expenditures against the appropriation would be subject to extension of their respective mandates by the Security Council. The requirements for appropriations under sections 3 and 32 and income section 1 would be reflected in the first performance report for incorporation within the revised appropriations for the biennium 2002-2003, subject to approval of the proposals contained in paragraph 95 of the Secretary-General's report.

11. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/57/7/Add.17), said that, continuing the trend set in the Advisory Committee's previous report (A/56/7/Add.8), the current report contained a number of observations and recommendations for streamlining and improving the presentation of the estimates for special missions, providing fuller justification for resources, improving the planning of programmes of some missions, improving coordination and management within the Secretariat and providing better information on performance and results.

12. Annex I to the report showed that total expenditure for special missions and other entities in 2002-2003 would not exceed $201.2 million, an estimate that was slightly lower than the $233.3 million that had been included in the proposed programme budget outline for the biennium 2004-2005 (A/57/85). The Advisory Committee would shortly report on the question of budgeting for special missions in the context of its report on the budget outline for the biennium 2004-2005.

13. After taking account of unencumbered balances, the Secretary-General was requesting $69 million net in additional appropriations. After a detailed examination in the short period of time that was available to it, the Advisory Committee recommended an additional appropriation of $60,039,000. The basis of that recommendation was summarized in paragraphs 13, 31 and 42 of its report.

14. In paragraphs 3 to 5 of his report (A/C.5/57/23), the Secretary-General proposed the provision of appropriations in anticipation of the renewal of individual mandates along the lines currently in place for peacekeeping operations in order to provide a greater degree of predictability regarding the overall level of resource requirements for political missions for the balance of the biennium. The Advisory Committee agreed with the Secretary-General's proposal, on the understanding that the related expenditure in that regard should be subject to a valid mandate as decided upon by the competent legislative organ of the United Nations. The Advisory Committee stood ready to provide further clarification in the informal consultations.

15. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union, the associated countries Cyprus, the Czech Republic, Estonia, Hungary, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey, and, in addition, Iceland, Liechtenstein and Norway, said that special political missions were an integral part of the Organization's contribution to the maintenance of international peace and security and as such were a core activity of the United Nations. It was a cause of concern that total expenditures for special political missions for the biennium 2002-2003 were now expected to exceed $200 million. The European Union agreed with the Secretary-General, however, that there were inherent difficulties in predicting the number, nature and duration of such missions and it therefore supported the appropriations for the additional resource requirements being sought by the Secretary-General with the adjustments that the Advisory Committee had recommended.

16. The European Union had taken note of the Secretary-General's proposal that alternatives to the current method of financing special political missions should be considered. It fully agreed on the need for improvements in the review by Member States of overall resource requirements and for greater predictability in expenditures for political missions. At the same time, however, it was of the view that such missions should continue to be financed from the regular budget. Separation of the budgets for political missions would not in itself lead to better cost control,

oversight and monitoring of expenditures nor would it make it easier to predict financing needs. While the manner in which budgetary requirements for special political missions were presented to the Fifth Committee could indeed be improved, Member States also bore the responsibility for ensuring that resources for such missions were utilized effectively. At the time of their adoption by the Security Council or the General Assembly, mandates should be closely scrutinized to ensure that there was no overlapping and that, where possible, they included a clear exit strategy.

17. **Ms. Achouri** (Tunisia) said that, while her delegation was fully cognizant of the importance of special political missions in the discharge of the Organization's responsibility for the maintenance of international peace and security, it was deeply concerned about the spiralling costs of such missions, nearly all of which were mandated by the Security Council. The General Assembly could not call into question the mandates of the Council, which acted within the scope of its legitimate authority. The issue was a serious one, however, since the heavy expenditures involved simply could not continue to be covered by the regular budget. Other arrangements, such as financing through the scale of assessments for peacekeeping operations, must therefore be explored for the financing of special political missions.

Programme budget implications of draft resolution A/C.3/57/L.16/Rev.1: Future operations of the International Research and Training Institute for the Advancement of Women (A/57/7/Add.18; A/C.5/57/24)

Programme budget implications of draft resolution A/C.3/57/L.7: Permanent Forum on Indigenous Issues (A/57/7/Add.19; A/C.5/57/26)

18. **Mr. Sach** (Director of the Programme Planning and Budget Division), introducing the statement submitted by the Secretary-General on the programme budget implications of draft resolution A/C.3/57/L.16/Rev.1 (A/C.5/57/24), said that, under the draft resolution, the General Assembly would decide, first, to allocate $500,000 from the regular budget of the Organization to the International Research and Training Institute for the Advancement of Women (INSTRAW) for operations in 2003; second, to create the post of Deputy Director with specific fund-raising responsibilities; third, to establish a liaison unit of the Institute within the Department of Economic and Social Affairs; and, fourth, to request the Economic and Social Council to amend the statute of INSTRAW to reflect the Institute's new funding arrangements.

19. As explained in paragraph 14 of the statement, the adoption of the draft resolution would entail an allocation of $500,000 under section 9 (Economic and social affairs) of the regular budget. That would represent a potential charge against the contingency fund which the Fifth Committee would need to consider in the context of the consolidated statement to be presented to it at the end of the current session. It would also entail a separate provision, amounting to $1,309,500, to be met from as yet unidentified voluntary contributions.

20. Introducing the statement submitted by the Secretary-General on the programme budget implications of draft resolution A/C.3/57/L.7 (A/C.5/57/26), he said that, under the draft resolution, the General Assembly would request the Secretary-General to appoint a secretariat unit within the Department of Economic and Social Affairs to assist the Permanent Forum on Indigenous Issues in carrying out its mandate, and authorize an exceptional three-day pre-sessional meeting of the members of the Forum from 7 to 9 May 2003. Paragraph 18 of the statement provided an estimate of the resource requirements for the proposed secretariat unit for 2003. If all six of the posts proposed for the secretariat unit were to be filled, the budget allocation would be $624,400. However, that sum would be reduced to $382,000 if only three core posts were filled for the calendar year 2003, leaving the remaining posts to be filled under the budget for the biennium 2004-2005. Paragraphs 19 and 20 of the statement gave details of the cost of the exceptional three-day pre-sessional meeting, which would include $30,800 under section 9 (Economic and social affairs) and $98,000 under section 2 (General Assembly affairs and conference services). Costs for the secretariat unit and the holding of the three-day pre-sessional meeting could be charged to the contingency fund and, in his consolidation of all statements of programme budget implications and revised estimates, the Secretary-General would need to make proposals for revising the consolidated amount so that it did not exceed the available balance. The aggregate cost of implementing the draft resolution for 2002-2003, as explained in paragraph 27 of the statement, would be up to $412,800.

21. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the programme budget implications of draft resolution A/C.3/57/L.16/Rev.1 (A/57/7/Add.18), drew the attention of the Committee to paragraph 6 of the report concerning the additional requirement of $500,000 for the biennium 2002-2003, which represented a potential charge against the contingency fund, and paragraph 7 of the report, which covered the additional requirement of $1,309,500, which was to be met from additional contributions.

22. Introducing the report of the Advisory Committee on the programme budget implications of draft resolution A/C.3/57/L.7 (A/57/7/Add.19), he drew attention to paragraph 5 of the report, in which the Advisory Committee recommended approval of the three posts requested for the secretariat of the Permanent Forum on Indigenous Issues for the biennium 2002-2003 in the first stage, but recommended that the General Assembly should reconsider the question of the posts to be filled in the second stage in the light of proposals submitted by the Secretary-General in the context of the proposed programme budget for the biennium 2004-2005. The Fifth Committee might wish to inform the General Assembly that the adoption of the draft resolution would result in a total potential charge against the contingency fund of $412,800.

23. **Mr. Kennedy** (United States of America) said that his delegation had made clear its position on contributions to INSTRAW from the regular budget when the Third Committee had voted on that issue during the previous month. He emphasized that articles VI and VII of the INSTRAW statute stipulated that it should be funded by voluntary contributions. In 2001, the Fifth Committee had discussed an exceptional subsidy of $650,000 to enable INSTRAW to continue operating while it sought such contributions and his delegation had reluctantly agreed, on the understanding that INSTRAW should receive no further funds from the regular budget thereafter. However, INSTRAW was currently seeking further funds from the same source. He urged Member States to consider carefully whether INSTRAW was engaged in a priority activity which added value to the work of the Organization, and whether its performance justified allocating regular budget resources within the levels allowed by the contingency fund.

24. He drew attention to General Assembly decision 34/401, which stated that a mandatory deadline, not later than 1 December, should be established for the submission to the Fifth Committee of all draft resolutions with financial implications. His delegation was happy to consider any statements of programme budget implications submitted by 1 December, and trusted that the Committee would adhere to that requirement and conclude its work by 6 December.

25. **Mr. Yamazaki** (Japan) recalled that his Government had joined other Member States in providing a one-time subvention of up to $800,000 from the regular budget in 2000 and the retention of $650,000 in 2001 in order to give INSTRAW an opportunity to revitalize itself. Despite that support, however, the recent audit of INSTRAW by the Office of Internal Oversight Services (A/56/907) had disclosed serious flaws in the Institute's financial and personnel management and had made it clear that INSTRAW had failed to achieve effective revitalization. His Government was seriously concerned about the findings contained in that audit report.

26. The statute of INSTRAW stipulated that the Institute's activities were to be funded from voluntary contributions. As of November 2002, however, voluntary contributions to the Institute had amounted to a mere $93,707. Since, in his statement on the programme budget implications of draft resolution A/C.3/57/L.16/Rev.1 (A/C.5/57/24), the Secretary-General estimated that an additional amount of $1,309,500 needed to be provided from as yet unidentified voluntary contributions, the issue arose of the viability of the Institute. In that connection, his delegation wished to recall General Assembly resolution 45/248 B VI, paragraph 1 of which reaffirmed that the Fifth Committee was the appropriate Main Committee of the General Assembly entrusted with responsibilities for administrative and budgetary matters. His delegation was therefore not in a position to support the proposal to charge the additional requirements of $500,000 for the biennium 2002-2003 against the contingency fund.

First performance report on the programme budget for the biennium 2002-2003 (A/57/616)

27. **Mr. Halbwachs** (Assistant Secretary-General for Programme Planning, Budget and Accounts, Controller), introducing the first performance report on

the programme budget for the biennium 2002-2003 (A/57/616), said that its purpose was to identify adjustments to the level of appropriations as a result of variations in costing parameters such as inflation and exchange rates relative to the values used for the original appropriation. The revised estimates amounted to $2,914.4 million, an increase of $215.1 million relative to the appropriation level approved in June 2002, or $289.2 million more than the original appropriation approved in December 2001. Details were provided in paragraph 5 of the report. The initial appropriation approved by the General Assembly in resolution 56/254 A had been supplemented by additional appropriations approved in resolutions 56/274 B and 56/286, which had resulted in a programme budget appropriation of $2,699,267,800. The revised total was $2,914,407,800, representing an increase of $215,140,000.

28. Unforeseen and extraordinary expenses accounted for an increase in requirements of $12,872,300. Commitments had been made to cover expenditure connected with the maintenance of peace and security ($4,488,300) (A/57/616, para. 9 (a)) and the Advisory Committee had also concurred in commitments of $8,086,400 (para. 9 (b)). Expenditure connected with meeting unforeseen costs of the International Court of Justice amounted to $329,300 (para. 9 (c)) and commitments to meet the cost of inter-organizational measures amounted to $8,300 (para 9 (d)).

29. Decisions of policy-making organs had generated an increase of $88,969,900, an amount which covered the direct requirements of special political missions established by Security Council mandates, conference-servicing requirements for the Counter-Terrorism Committee and the net effect of General Assembly resolutions 56/254 D, 56/266 and 56/272 (para. 10). A separate report on estimates in respect of matters of which the Security Council was seized (A/C.5/57/23) set out the proposed resource requirements for the period up to December 2003 of 19 political missions the mandates of which were expected to be extended into that year. The assessment of the expenditure and programming impact of services for the Counter-Terrorism Committee in implementation of Security Council resolution 1373 (2001) was explained in paragraphs 12 to 19 of the report. The estimated total resource requirements for the biennium 2002-2003 (para. 18) had been based on the Committee's actual workload for the first nine months of 2002, its projected workload for the remaining three months of 2002, and an extrapolation of those figures for 2003. Account should be taken of the Security Council review of the structure and activities of the Counter-Terrorism Committee, which was due by 4 April 2003.

30. The net impact of General Assembly resolutions 56/254 D, 56/266 and 56/272, was described in paragraphs 20 to 23 of the report. The reduction of honorariums payable to members of organs and subsidiary organs of the United Nations decided on by the General Assembly in resolution 56/272 had resulted in a decrease of $55,200, releasing resources for a transfer in accordance with paragraph 5 of General Assembly resolution 56/254 D to restore Internet services to permanent missions.

31. Changes in exchange rates had been responsible for an increase of $33,764,200, as shown in schedules 1 and 3 in the report. The changes were mostly attributable to the performance of the United States dollar against the Swiss franc and the euro. The increase attributable to inflation was described in paragraphs 30 to 33 of the report, as well as in schedules 1, 2 and 4.

32. Adjustments to standard costs accounted for an increase of $4,416,500, as explained in paragraphs 34 to 36 of the report. In the case of staff vacancies, there had been an increase in requirements of $20,411,600 (paras. 37 to 40). In resolution 56/253, the General Assembly had established the average vacancy rates to be used in budget calculations for 2002-2003; in paragraph 56 of that resolution it had noted that if the realized vacancy rates were lower than those budgeted, additional resources would be provided, if required, in the first and/or second performance report. The realized vacancy rates in the Professional and General Service categories had, in fact, been lower than budgeted. The report had adhered to the practice of taking account of the recommendations of the International Civil Service Commission regarding net remuneration; the actual amount of the increase, estimated at $26,676,800, would depend on the decision of the Fifth Committee regarding those recommendations.

33. Adjustments to income figures (para. 56) took account of an envisaged reduction in income sections 2 and 3 resulting mainly from the curtailment of activities at the Headquarters complex in the months

following the events of 11 September 2001. More details were given in annex IV to the report.

34. He wished to draw the attention of the Committee to several other issues. Annex VI to the report contained details of the appropriations and expenditure relating to measures to strengthen the security and safety of United Nations premises, broken down by duty station. Paragraphs 45 to 48 of the report set out the impact of the reductions in the budgeted level of specific operational requirements for the biennium 2002-2003. Although additional resources had been found for the United Nations Board of Auditors, resources still had to be found to meet general operating expenses at the Peace Palace at The Hague (para. 48). Paragraphs 49 and 50 of the report covered the Economic and Social Commission for Asia and the Pacific (ESCAP) and referred to the redistribution of resources for 2002-2003. Paragraph 51 of the report covered the Economic and Social Commission for Western Asia (ESCWA), referring to its restructuring around a number of priority aims and the redistribution of its resources.

35. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the first performance report on the programme budget for the biennium 2002-2003 (A/57/7/Add.16), said that, in the light of the application of results-based budgeting techniques to the regular budget, the Advisory Committee believed that the time had come to see how the format of the performance report could be changed. The Advisory Committee would consider the issue in conjunction with the proposed programme budget for the biennium 2004-2005.

36. The total estimates for the Counter-Terrorism Committee amounted to $15.88 million, of which $11.14 was for conference-servicing costs and $4.74 for substantive activities (A/57/7/Add.17, annex I). The Security Council intended to review the structure and activities of the Counter-Terrorism Committee no later than 4 April 2003. Although the Advisory Committee had made no recommendation for any adjustment, the estimated requirements for the Counter-Terrorism Committee for 2003 might need to be revised in the light of the Security Council review.

37. The performance report had been prepared in accordance with the Advisory Committee's recommendations on inflation and currency. Nevertheless, the final appropriation would need to take into account the considerations raised in paragraph 19 of the Advisory Committee's report to reflect its recommendations on special missions, the Fifth Committee's recommendation on the report of the International Civil Service Commission, and the Advisory Committee's recommendations in conjunction with its review of the consolidated statement of revised estimates and programme budget implications.

38. **Ms. Buchanan** (New Zealand), speaking also on behalf of Australia and Canada, said that the additional demands placed on the Organization by new mandates and unforeseen and extraordinary expenditure had coincided with major variations in costing, as a result of which Member States now faced significant increases.

39. Financial and programmatic performance, as reflected in the performance report, was linked under the results-based system. Resource decisions must be based on results and an assessment of value for money.

40. The two key figures in the performance report were the total projected expenditure for the whole budget period and the net additional requirements. In that regard the financial tables in the performance report were less clear than they could be; the projected expenditure table (para. 5), for example, should include all expenditure. In fact some items yet to be approved had been included, while others had been omitted, so that if all elements were approved the actual revised total would be $2.929 billion. The net increase should use as a baseline the $2.625 billion level agreed in December 2001, against which Member States had been assessed.

41. A different presentation of those figures would have allowed Member States to determine quickly that the actual additional requirement for 2002-2003, which would form the basis of assessments for the following year, was around $297 million, rather than the $208 million indicated in the report. That, of course, did not include the capital master plan and additional appropriation for the 2000-2001 biennium overexpenditure.

42. The three delegations accepted that the exchange rate changes presented in the report had been unavoidable, and also accepted the justification for inflationary adjustments for non-post objects of

expenditure, as well as the $9.9 million increase for realized 2002 vacancy rates; projections for 2003 should, however, be dealt with in the second performance report.

43. The three delegations were very supportive of the request for posts for the secretariat of the Permanent Forum on Indigenous Issues. With regard to the report on estimates in respect of matters of which the Security Council was seized (A/C.5/57/23), their view on resource requirements would be determined by the ACABQ report. In that regard, it would be of interest to know how the oversight function was discharged.

44. The time had come to change the way in which resource requirements were presented to the General Assembly. The results-based framework should be extended to all activities, including special political missions and peace-building. All mission budget proposals should provide an indication of major milestones in their work against which progress could be measured.

45. There was a need to consider issues in a more strategic way. Accordingly, all activities relating to good offices, preventive diplomacy and peace-building under section 3 should be presented in a single document, by country, to give a consolidated view of what the Organization was trying to achieve, who was undertaking the work, what type of mandate there was, and what the cost was.

46. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey, and, in addition, Liechtenstein and Norway, said that he welcomed the intention of the Advisory Committee to consider, in the context of the proposed programme budget for the biennium 2004-2005, appropriate changes to the performance report in the light of the development of results-based budgeting.

47. The European Union noted with great concern the sharp increase of more than $208 million in the budget for the current biennium, although it acknowledged that most of the increase was due to factors, such as currency and inflation fluctuations, outside the Secretariat's control, and that other add-ons, such as additional security costs, could not have been foreseen. Accordingly, the European Union was in a position to endorse the recommendations of the Secretary-General contained in the first performance report.

48. Nevertheless, he concurred with the Advisory Committee that the Secretary-General should have provided more sufficient justification for the assumption that the activities of the Counter-Terrorism Committee would continue at current levels. The European Union expected the Department for General Assembly and Conference Management to continue to achieve efficiency gains; such efforts should allow absorption within existing resources of a substantial part of the extra costs of conference services. The Secretary-General should be given the necessary commitment authority to implement planned conference-servicing activities for the Counter-Terrorism Committee during the current biennium, and the General Assembly should take a final decision thereon in the context of the second performance report.

49. He noted the projections regarding the vacancy rate, and agreed with the Advisory Committee that explanations were needed of the high vacancy rates under some budget sections. The General Assembly should provide the necessary commitment authority for 2003 and revert to the matter in the context of the second performance report. Lastly, he concurred with ACABQ that the actual requirements resulting from the decisions and recommendations of the International Civil Service Commission would be known only after the General Assembly had taken a decision thereon.

50. **Mr. Yamanaka** (Japan), referring to conference and support services for the Counter-Terrorism Committee and the decision to redeploy second year resources to the first year of the biennium, said that it was difficult to understand the relationship between the requirements for servicing the Counter-Terrorism Committee and the capacity of conference services for 2002. He noted that it had not been possible to hold weekend or night meetings, that the Committee for Programme and Coordination had cancelled the second part of its forty-second session, and that there had been delays in parliamentary documentation, all of which raised questions regarding capacity. His delegation also questioned the validity of the assumption regarding the level of activities of the Counter-Terrorism Committee in 2003.

51. He asked whether the difference between the balance of $2.2 million in the contingency fund at the

end of 2001 and the amount of $1.5 million referred to in the first performance report (A/57/616, para. 6) had been utilized for follow-up to the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance.

52. The performance report referred to the decision by the General Assembly to reduce resources for specific operational requirements for 2002-2003 (A/57/616, para. 45), and indicated that further decreases were expected under many sections. In that regard he suggested the possible use of the mechanism provided for in General Assembly resolution 56/254 A, paragraph 2, on the transfer of credits between sections with the concurrence of the Advisory Committee. His delegation endorsed the conclusion of the Advisory Committee regarding expenditure on public information activities for the Second World Assembly on Ageing. He requested justification of the increase of $3 million in other expenditure under section 23, and recalled the provisions of paragraphs 133 to 136 of General Assembly resolution 56/253. Finally, the presentation of the information contained in annex VII to the performance report should be improved.

53. **Mr. Repasch** (United States of America) said that his delegation was concerned about the sharp increases in expenditure and the decreases in income generated by revenue-producing activities. In some cases, there were actual losses, as in the case of the United Nations Postal Administration, which required urgent attention. He concurred with the Advisory Committee that the operation was in need of a fundamental rethinking.

Construction of additional office facilities at the Economic Commission for Latin America and the Caribbean, Santiago (continued) (A/57/7/Add.8 and A/57/467)

54. **The Chairman** suggested that the Secretariat should prepare a draft decision by which the Committee would recommend to the General Assembly that it should take note of the report of the Secretary-General on the construction of additional office facilities at the Economic Commission for Latin America and the Caribbean, Santiago (A/57/467) and concur with the recommendation of the Advisory Committee in paragraph 7 of its related report (A/57/7/Add.8).

55. *It was so decided.*

Capital master plan (continued) (A/C.5/57/L.29)

56. **Mr. Tilemans** (Belgium), introducing draft resolution A/C.5/57/L.29, on the capital master plan, said he trusted that the Committee would adopt it by consensus.

57. **Mr. Pulido León** (Venezuela), speaking on behalf of the Group of 77 and China, said that, while his delegation attached great importance to the capital master plan, it did not wish to take action on draft resolution A/C.5/57/L.29 until all the draft resolutions with programme budget implications were before the Committee. It could not agree to the prioritization of one draft resolution when other texts, dealing with issues of equal importance, had yet to be introduced in the Committee.

58. **Ms. Silot Bravo** (Cuba) and **Mr. Eljy** (Syrian Arab Republic) endorsed the request of the representative of Venezuela on behalf of the Group of 77 and China.

59. **The Chairman** said he took it that the Committee wished to defer action on draft resolution A/C.5/57/L.29.

60. *It was so decided.*

Organization of work

61. **Mr. Pulido León** (Venezuela), speaking on behalf of the Group of 77 and China, expressed regret that the programme of work for the week beginning Monday, 2 December 2002, had only been distributed to delegations the previous afternoon. The programme of work did not allow sufficient time for the consideration of items with programme budget implications, nor did it take into account the availability of documentation. He noted, in that connection, that the problem of the late issuance of documentation had yet to be adequately addressed.

62. He was not convinced that the Committee would be able to take action on all outstanding draft resolutions and decisions by Friday, 6 December 2002, particularly since a number of issues were still being considered by the Advisory Committee. Yet the Bureau had not indicated which items were time bound, and would therefore have to be prioritized, and which items could, if necessary, be deferred; nor was it clear to him how the Committee was to proceed with respect to the report of the Secretary-General on the United Nations Institute for Training and Research (A/57/479). The

Bureau should have prepared a more realistic programme of work that better reflected the needs of Member States, and the Committee, rather than striving to complete its work by a particular deadline, should focus on ensuring that all the items on the agenda were dealt with appropriately.

63. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union and the associated countries, expressed gratitude to the Chairman for the manner in which he had steered the Committee's work and endorsed the programme of work prepared by the Bureau. He noted that his delegation would have been prepared to take action on draft resolution A/C.5/57/L.29.

64. **Ms. Achouri** (Tunisia) said that it might be prudent to envisage extending the work of the Committee by one week. However, if the Committee had to complete its work by the deadline of Friday, 6 December 2002, the Bureau must ensure that priority was given to those items that were time bound; it was not acceptable for individual delegations to determine which items were to be prioritized. Also, the Bureau must see to it that all draft resolutions with programme budget implications were introduced as soon as possible, so that the Committee could take action on them simultaneously. Lastly, there was a need to ensure, in the interests of transparency, that all delegations were informed of the holding of informal informal consultations.

65. **Mr. Stoffer** (United States of America) expressed appreciation for the Chairman's skilful leadership. The Committee, as the Main Committee responsible for administrative and budgetary matters, must demonstrate discipline and conclude its work by the agreed deadline. His delegation would work constructively with the Bureau in order to achieve that goal.

66. **Ms. Silot Bravo** (Cuba) said that her delegation wished to associate itself with the statements made by the representative of Venezuela, on behalf of the Group of 77 and China, and the representative of Tunisia. In particular, it wished to underscore the need for transparency in the conduct of the Committee's work. While she recognized the Bureau's efforts to take account, in the programme of work, of the interests of Member States, she was concerned that the Committee would not have enough time to reach consistent and responsible decisions on some of the items on the agenda.

67. **The Chairman** said that, while the Committee had made considerable progress, it was fast running out of time. He agreed that the Bureau would have to prioritize certain time-bound items if the Committee was to complete its work by Friday, 6 December 2002. The members of the Bureau were currently holding consultations on that matter with the regional groups, so as to ensure that their decision reflected the interests of all delegations. As to the report of the Secretary-General on the United Nations Institute for Training and Research (A/57/479), he had been informed that the Second Committee would adopt a draft resolution on the related substantive issues at the earliest opportunity. The draft resolution would then be transmitted to the Fifth Committee, which would consider the programme budget implications.

68. While it was the Bureau's wish that the Committee should complete its work by the agreed deadline, it would be guided by the will of Member States. Its main concern in preparing the programme of work had been to make optimum use of the time available. It was, of course, ready to make adjustments, so as to take account of the concerns raised. Although the Bureau recognized the need for transparency, it had been unable to distribute the programme of work to delegations in a more timely fashion because of the need to reschedule certain activities. In that connection, he requested that those representatives who were coordinating informal consultations on specific items should ensure that all delegations were informed of the holding of informal informals.

The meeting rose at 4.55 p.m.

United Nations A/C.5/57/SR.30

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Chairman: Mr. Sharma ..... (Nepal)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Organization of work

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The meeting was called to order at 9.35 a.m.

Agenda item 134: Financing of the United Nations Mission in Sierra Leone (A/57/619 and A/57/633)

1. **Ms. Pollard** (Director of the Peacekeeping Financing Division), introducing the note by the Secretary-General on financing arrangements for the United Nations Mission in Sierra Leone for the period from 1 July 2002 to 30 June 2003 (A/57/619), said that, by its resolution 56/251 B, the General Assembly had appropriated $669,476,400 gross ($662,779,200 net), for the maintenance of the United Nations Mission in Sierra Leone (UNAMSIL) for the period from 1 July 2002 to 30 June 2003, and a further $30,361,900 gross ($26,380,600 net), for the support account for peacekeeping operations and the United Nations Logistics Base at Brindisi. Pursuant to that resolution, assessments approved for UNAMSIL for the period totalled $502,107,300 gross ($497,084,400 net), leaving an unassessed balance of $167,369,100 gross ($165,694,800 net). The Advisory Committee on Administrative and Budgetary Questions (ACABQ) had recommended that the General Assembly should consider the apportionment of the balance in connection with possible adjustments to the Mission's military and civilian components.

2. The Security Council, in resolution 1436 (2002), had extended the mandate of UNAMSIL for six months. Based on that resolution and the current status of expenditure for UNAMSIL, requirements for the period from 1 July 2002 to 30 June 2003 were estimated at $602,912,100 gross ($596,618,400 net).

3. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on financing arrangements for the United Nations Mission in Sierra Leone for the period from 1 July 2002 to 30 June 2003 (A/57/633), said that ACABQ recommended an additional assessment of $90 million. When ACABQ had made its original recommendation that $167,369,100 million should remain unassessed pending resubmission of the request, it had been aware that changes to the numerical strength of the Mission were expected. At it had turned out, the Secretary-General had indicated an unencumbered balance of $66,564,300; that had been taken into account in the request for $100,804,800. However, in the light of the considerations set out in paragraph 4 of its report, the current $461.6 million in unliquidated obligations and the $9.5 million in "pre-encumbrances" (amounts held in expectation of later disbursement), ACABQ recommended an assessment of $90 million, which was lower than the request of $100,804,800. That was unlikely to pose problems for UNAMSIL, as past experience indicated that sums were often left over from unliquidated obligations. In any event the Secretary-General had the option to return to the General Assembly, through ACABQ, when the Mission's requirements were discussed in February/March 2003.

4. **Ms. Udo** (Nigeria) said that her delegation shared the view expressed by ACABQ in paragraph 4 of its report that submissions for financial arrangements should be accompanied by supporting information. No reason had been offered for the failure to supply such information, but that did not diminish the success of UNAMSIL. The Mission deserved continued support, and approval of its request for an appropriation of $100,804,800 was a way of demonstrating such support. The expectations which the United Nations in general and the Security Council in particular had placed upon UNAMSIL must not be compromised through under-funding, especially at a time when much value was being placed on the connection between peace and development and the need to eliminate conflict in the troublespots of the world.

5. Her delegation wished to have an assessment of the consequences of following the recommendation of ACABQ and authorizing an appropriation of $90 million instead of the $100.8 million originally requested. The ongoing drawdown of the Mission was to be based on yet-to-be-determined benchmarks, and it would therefore be more prudent to approve the allocation requested in order to prevent any security threats which might arise because of the drawdown. The Mission would of course be required to return any unused sums to the Organization.

6. Her delegation also welcomed the six-month extension of the mandate of UNAMSIL by the Security Council in resolution 1436 (2002) as a positive step, although it recognized that UNAMSIL would need more time to ensure that the gains made were not jeopardized by a hasty withdrawal.

7. **Ms. Lock** (South Africa) said that her delegation attached great importance to peacekeeping operations, particularly in Africa. It shared the concern of ACABQ

that not enough information on the financial performance and expenditure of UNAMSIL had been supplied to justify the allocation requested, but emphasized that that should not prevent the Committee from reaching a decision on what was an important matter. There should be discussion of the implications of approving an appropriation of $90 million instead of the requested $100.8 million during the informal consultations to ensure that the Committee did not make a decision which impaired the ability of the Mission to fulfil its mandate.

8. **Ms. Pollard** (Director of the Peacekeeping Financing Division) said that the Secretariat would do its best to operate using an appropriation of $90 million if that was what the General Assembly approved. The allocation for military staff on the ground was currently fully obligated. If drawdown of the Mission was more rapid than originally planned, the Mission could function with the allocation it had. The situation could not be predicted and the Secretariat would therefore return to ACABQ in February 2003 at the opening of the peacekeeping review.

Agenda item 112: Programme budget for the biennium 2002-2003 (*continued*)

Estimates in respect of matters of which the Security Council is seized (*continued*) (A/57/7/Add.17; A/C.5/57/23)

First performance report on the programme budget for the biennium 2002-2003 (*continued*) (A/57/7/Add.16 and A/57/616)

9. **Mr. Sun** Xudong (China) said that his delegation had a number of concerns about the first performance report on the programme budget for the biennium 2002-2003 (A/57/616). First was the size of the adjustments to appropriations proposed by the Secretary-General: the increase of $215,140,000 would bring total expenditure to $2,914,407,800. While some elements of that increase, such as exchange-rate fluctuations and inflation, were unpredictable, efforts should be made to accommodate the limits established once a programme budget had been approved — in other words, to do more with less. Second was the decrease in income from services to the public; while noting that the situation was expected to improve in 2003 relative to 2002, he hoped that the Secretariat would investigate the reasons for the decline and seek to improve income from that source. Third was the sum involved in the recommendation of the International Civil Service Commission regarding net remuneration, although he agreed with ACABQ that the final increase would not be known until the General Assembly had taken a decision on the recommendation. The fourth concern was that the United Nations, like all international organizations, should seek to make optimum use of its resources.

10. **Ms. Silot Bravo** (Cuba) said that consideration of the revised appropriations set out in the first performance report on the programme budget for 2002-2003 was particularly important in the light of the cuts resulting from General Assembly resolution 56/253. That resolution had forced the curtailment of some activities of the Organization, but had also made the funding of other activities which drew heavily on the budget more unpredictable.

11. The effects of some of the reductions imposed by the General Assembly in resolution 56/253 had been offset by alternative measures, for example in the case of audit services, where the use of external auditors was intended to maintain the scope and quality of that important activity. Her delegation regretted that the same approach had not been used in other areas, such as conference and support services, where account should be taken of the requests made by the General Assembly in resolutions 56/254 D and 56/287.

12. With regard to the services extended to the Counter-Terrorism Committee, the revised estimate for the remainder of 2002, and beyond that to the end of the biennium, had been calculated without knowing the outcome of the Security Council review of that Committee's structure and activities, which was not due to take place until April 2003. Her delegation agreed with the opinion expressed by ACABQ in paragraph 9 of its report (A/57/7/Add.16) that the estimated requirements might need to be revised in the light of the Security Council review. Additional requirements connected with matters of which the Security Council was seized, meanwhile, must be considered in the light of the reports of the Secretary-General (A/C.5/57/23) and of ACABQ (A/57/7/Add.17) on that matter.

13. Noting that the realized vacancy rates for all categories of staff had been higher than those budgeted for in General Assembly resolution 56/253, thus giving rise to additional requirements, her delegation agreed

with the findings of ACABQ: vacancies in a number of sections appeared to be quite high and more detailed information should be provided in future.

14. The considerable increases in requirements caused by changes in exchange rates, prices and inflation would place a burden on the programme budget for the current biennium and make it difficult to offset the effects of budget cuts. Her delegation would work constructively to seek a solution which would enable additional requirements to be met without impairing the implementation of the Organization's mandates for the biennium.

United Nations Institute for Training and Research (continued) (A/57/7/Add.15; A/57/479, A/C.5/57/L.38)

15. **Mr. Pulido León** (Venezuela) introduced draft resolution A/C.5/57/L.38, on the United Nations Institute for Training and Research (UNITAR), on behalf of the Group of 77 and China.

16. **Mr. Stoffer** (United States of America) expressed surprise at the Committee's departure from its usual practice of holding informal consultations on a draft resolution before it was considered at a formal meeting. His delegation would have welcomed the opportunity to comment on certain provisions of the draft text to which it could not subscribe.

17. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union, said that, before the Committee proceeded any further, the Chairman should report to members on the outcome of his discussions with the President of the General Assembly and with the Chairman of the Second Committee on the issue of UNITAR.

18. **Mr. Kramer** (Canada) questioned the basis on which the Committee was being asked to consider the draft resolution. Both the report of the Secretary-General (A/57/479) and the related report of the Advisory Committee (A/57/7/Add.15) were concerned with the rental rates and maintenance costs of UNITAR and there was no indication that the Institute's Board of Trustees had even discussed the matter. It was important for the Committee to have as much information as possible before it could address the issue.

19. **Mr. Herrera** (Mexico) proposed that consideration of the draft resolution should be deferred.

20. **Mr. Pulido León** (Venezuela), speaking on behalf of the Group of 77 and China, said that he had submitted the draft text on behalf of the Group of 77 and China without prior knowledge of the Committee's programme of work. The Group's objective was to expedite the work of the Committee by submitting a concrete and viable proposal on UNITAR, an organization that provided valuable training and research services to all Member States. It was difficult to justify earmarking for the payment of rental and maintenance costs resources that could otherwise be used to provide training and research services. His understanding was that, in its consideration of the issue, the Second Committee would not make any proposals that contained financial implications, such proposals being within the purview of the Fifth Committee.

21. **Ms. Udo** (Nigeria) said that her delegation shared the views just expressed by the representative of Venezuela on behalf of the Group of 77 and China.

22. **Ms. Buergo Rodríguez** (Cuba) said that the draft resolution, in which the Group of 77 and China merely sought to address the legitimate concerns that had been raised in the report of the Secretary-General (A/57/479), should serve as a basis for further discussion by the Committee. The current situation again highlighted the need for the Committee to organize its programme of work more carefully.

23. **The Chairman** recalled his statement to the Committee at its 29th meeting to the effect that he had been assured by the Chairman of the Second Committee that, in its consideration of the item on UNITAR, the Second Committee would not touch upon financial matters that were within the purview of the Fifth Committee but would confine its discussions to the substantive issues. It was on that basis that the Bureau had decided to proceed with the consideration of the item at the Committee's current meeting.

24. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union, welcomed the assurance that the Second Committee would not touch upon matters that were within the purview of the Fifth Committee. The Fifth Committee should now deal with the item in the normal way by scheduling informal consultations to seek agreement on a draft text, while keeping in mind the text of the draft resolution (A/C.5/57/L.38) that had been introduced by the representative of Venezuela on behalf of the Group of 77 and China.

25. **Mr. Pulido León** (Venezuela), speaking on behalf of the Group of 77 and China, said that, in a spirit of cooperation, the Group would agree to the approach suggested by the representative of Denmark on behalf of the European Union, provided that the draft resolution contained in document A/C.5/57/L.38 was used as the basis for discussion. The Group of 77 and China was willing to negotiate amendments to the draft text with a view to achieving consensus.

26. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union, said that, since the draft resolution had already been formally introduced, the correct procedure would now be for the Controller to inform the Committee of its programme budget implications. It would, of course, be much simpler if the draft resolution were simply withdrawn by its sponsor, on the understanding that the elements it contained would be borne in mind during the informal consultations.

27. **Mr. Pulido León** (Venezuela) said that care had been taken to ensure that the proposal contained no programme budget implications for 2003. Financial implications would arise only in the regular budget for the biennium 2004-2005.

28. **Mr. Halbwachs** (Assistant Secretary-General for Programme Planning, Budget and Accounts, Controller) said that, since the text of the draft resolution had only just been made available, he would need some time to prepare a statement of its programme budget implications.

29. **Mr. Stoffer** (United States of America) said that, given the limited time available, the best solution would be for the draft text to be withdrawn by its sponsor.

30. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union, asked when the statement of programme budget implications and the related report of the Advisory Committee would be available. While he had no comment to make at the current stage on the substance of the draft, he wished to note that the text was causing delay and confusion in the Committee. It might therefore be easier for its sponsor to simply withdraw it.

31. **Mr. Acakpo-Satchivi** (Secretary of the Committee), commenting on a question of procedure, reminded members of the Committee that the Advisory Committee could not be requested to give an opinion on a draft text that was still under discussion in the Committee and therefore subject to change at any time.

32. **Mr. Pulido León** (Venezuela), speaking on behalf of the Group of 77 and China, said that it was not the intention of the Group of 77 and China to create confusion. The only issue that remained to be clarified was that of the programme budget implications of the draft resolution.

33. **Mr. Tootoonchian** (Islamic Republic of Iran) asked whether the Committee had received any assurances that the draft resolution to be submitted by the Second Committee on the item would contain no programme budget implications.

34. **Ms. Silot Bravo** (Cuba) said that the apparent confusion was in reality a storm in a teacup. The Bureau had already scheduled informal consultations on the item and the debate should therefore continue in that forum. The experience merely highlighted the need for careful planning of the Committee's programme of work for the following week.

35. **Mr. Chaudhry** (Pakistan) reminded the Committee of the history behind the draft resolution, which had not emerged from a vacuum. The Group of 77 and China had sought an acknowledgement of the problems that UNITAR was facing. It had been told in the Second Committee that the matter should be referred to the Fifth Committee. While the Group had consciously sought to avoid any programme budget implications for 2003, it was possible that the provisions of paragraph 3 of the draft text did contain some financial implications. The Group was willing to cooperate on language to address that issue. However, it deplored the manoeuvres that seemed intended precisely to avoid such cooperation and to cause delays and confusion. Such an attitude was manifestly unfair.

36. **Mr. Christiansen** (Denmark), speaking on behalf of the European Union, said that his main concern was to expedite the Committee's work while ensuring that the proper procedures were respected. The existence of a draft text even before the start of the informal consultations gave rise to a formal requirement for a statement of programme budget implications and the related report of the Advisory Committee. The Committee should consider instead the draft text that emerged from the informal consultations.

37. **Mr. Pulido León** (Venezuela) said that the Group of 77 and China would have no objections to the

holding of informal consultations, but wished to retain the current draft text, subject to the revision of the language of paragraph 3. If consensus was reached on another text in the informal consultations, then the Group of 77 and China would willingly withdraw the current draft.

38. **The Chairman** said that informal consultations coordinated by Mr. Eduardo Ramos (Portugal) would be held on the item. He took note of the declared willingness of the Group of 77 and China to withdraw the current text if a consensus on another draft resolution emerged during the consultations.

Organization of work

39. **The Chairman** said that he had given a commitment to the President of the General Assembly that, subject to the availability of the required documentation, the Committee would complete its work by 12 December.

40. **Ms. Silot Bravo** (Cuba) said that it was important for the Committee to identify the reasons for the delay in completing its work. Particular emphasis should be placed on the unavailability of documents.

41. **Ms. Lock** (South Africa) requested that delegations should be advised sufficiently in advance of the list of issues to be deferred to a resumed or subsequent session of the General Assembly in order to allow them enough time to review the list.

42. **The Chairman** said that the Bureau would have to wait until a day or two before the end of the main part of the current session before it could take any intelligent decision on which items to propose for deferral.

The meeting rose at 11.20 a.m.